

City Budget Work Session

**Wilmington City Council
December 3, 2012**

FY 2012 - The Results

FY 2011-12 budget summary

- Balanced budget last year, this year
- Savings now 28% of General Fund budgeted expenditures
- Reduced spending and increased revenues = \$5.85 back in savings
- Fiscal health good heading into FY12-13

City's savings account

Fund balance almost fully restored



Importance of savings

- Increased savings even during tough economic times
- Savings on par w/other cities
- Savings important for emergencies





What our rating agencies say

- *“Standard & Poor’s continues to view Wilmington’s financial management practices ... are strong, well embedded, and likely sustainable.”*
- *Fitch – “Reserves and liquidity levels remain ample, reflecting the city’s sound financial profile.”*

State: City has low debt

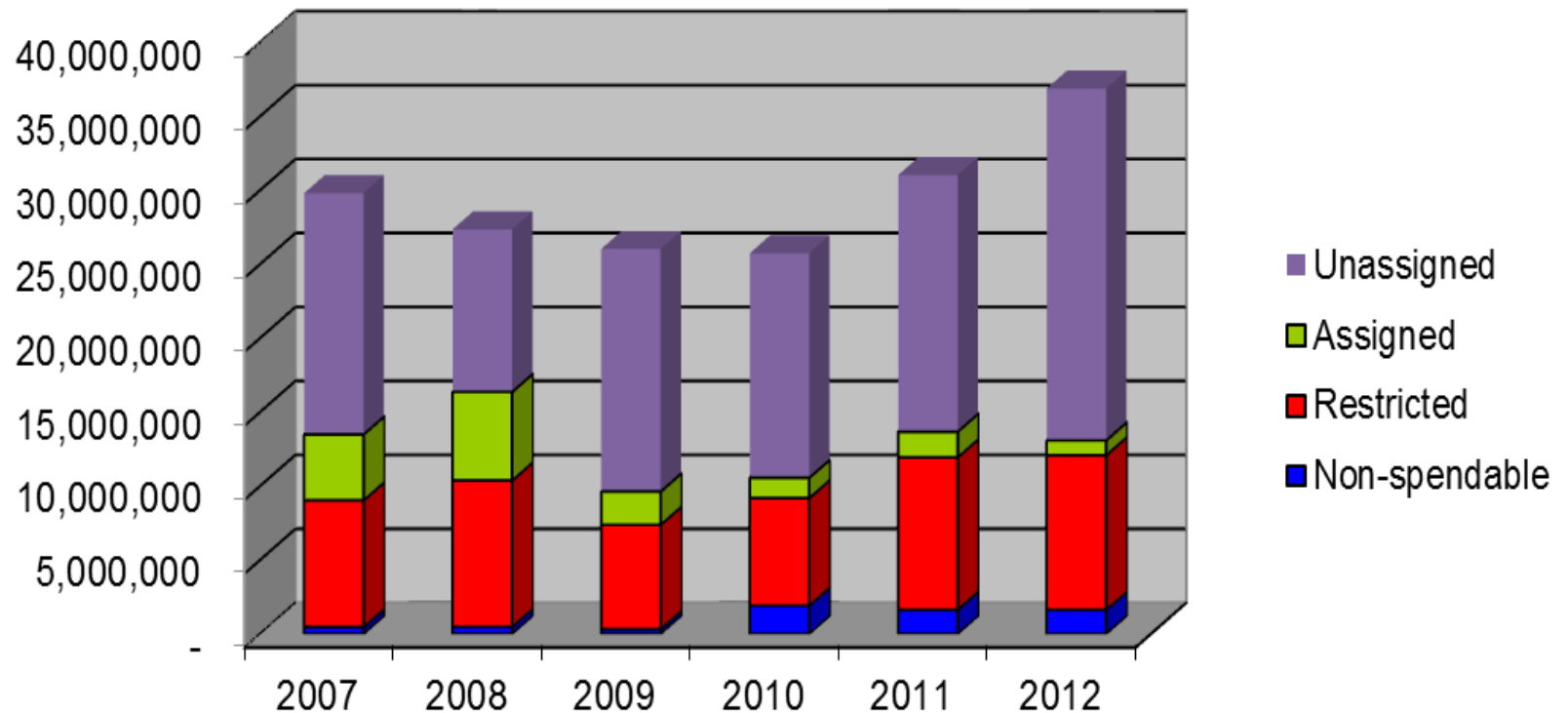
Cities with populations 100,000+

| Appraised Property Valuation (%) | | | Per Capita (\$) | | |
|---|---------|-------|---|---------|-------|
| Low | Average | High | Low | Average | High |
| 0.262 | 1.291 | 1.639 | 161 | 1,339 | 1,801 |
|  | | |  | | |
| Wilmington | | | \$975 | | |
| .739 | | | | | |

GASB 54 and Fund Balance

- Non-Spendable
- Restricted
- Committed
- Assigned
- Unassigned

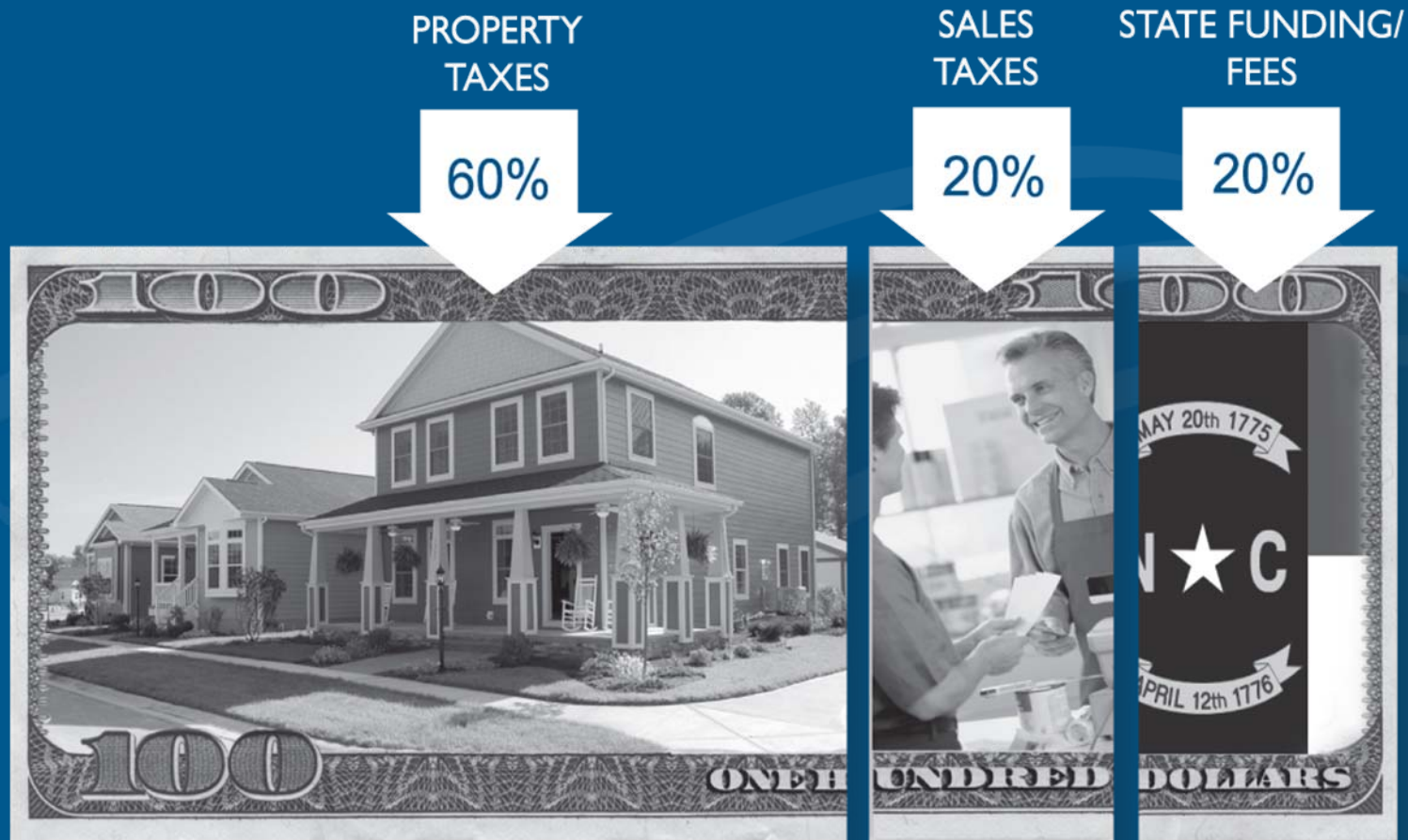
Total General Fund - Fund Balance Analysis



FY 2013 – How we started & where we are today

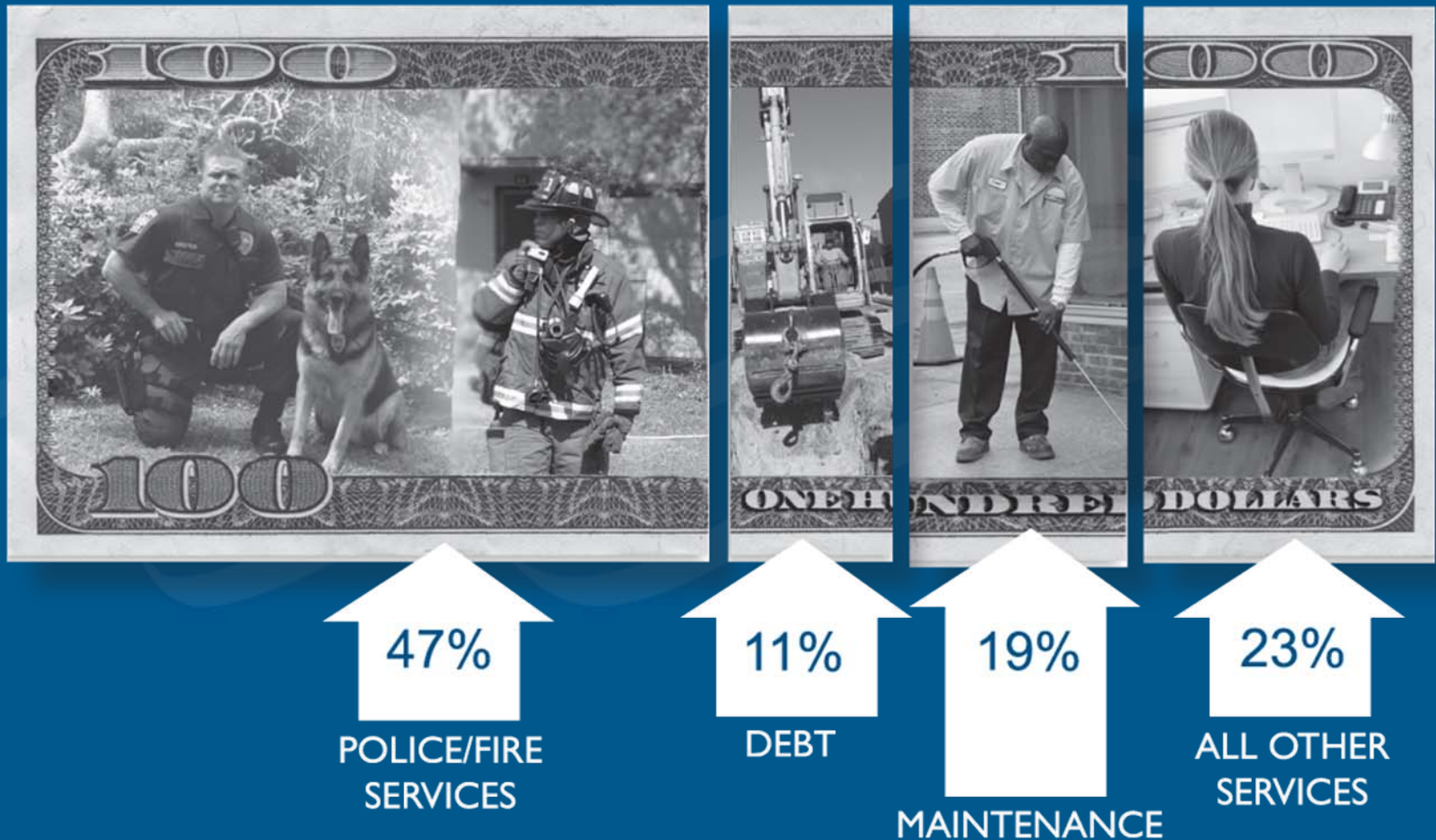
Where the Money Comes From

(FY 2013 Adopted General Fund Revenues)



Where the Money Goes

(FY 2013 Adopted General Fund Expenditures)

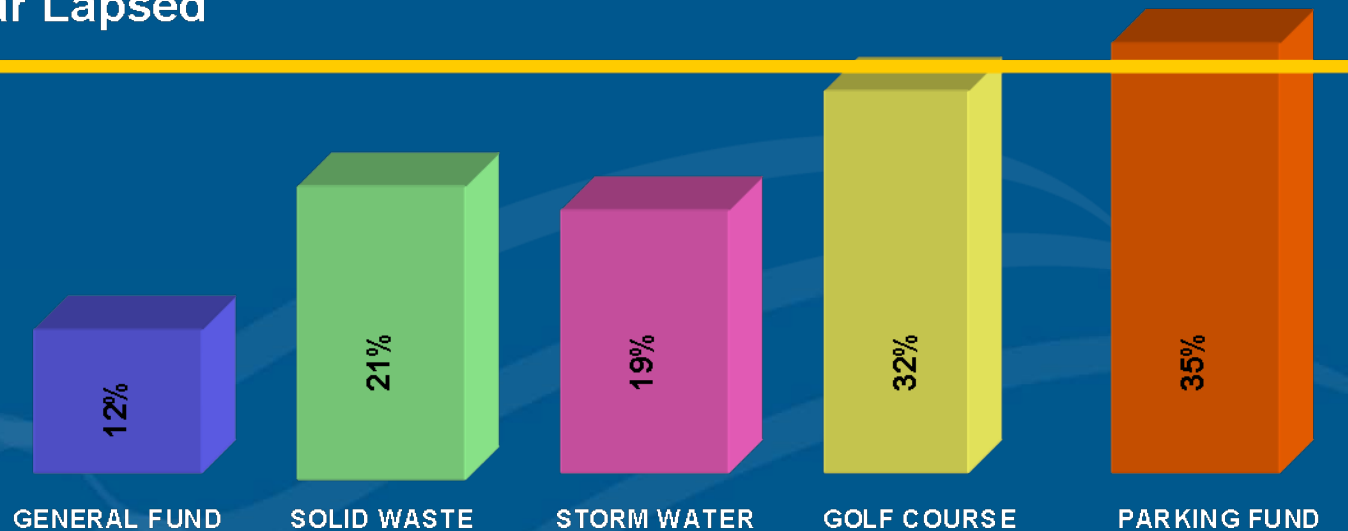


FY 2013 Revenues

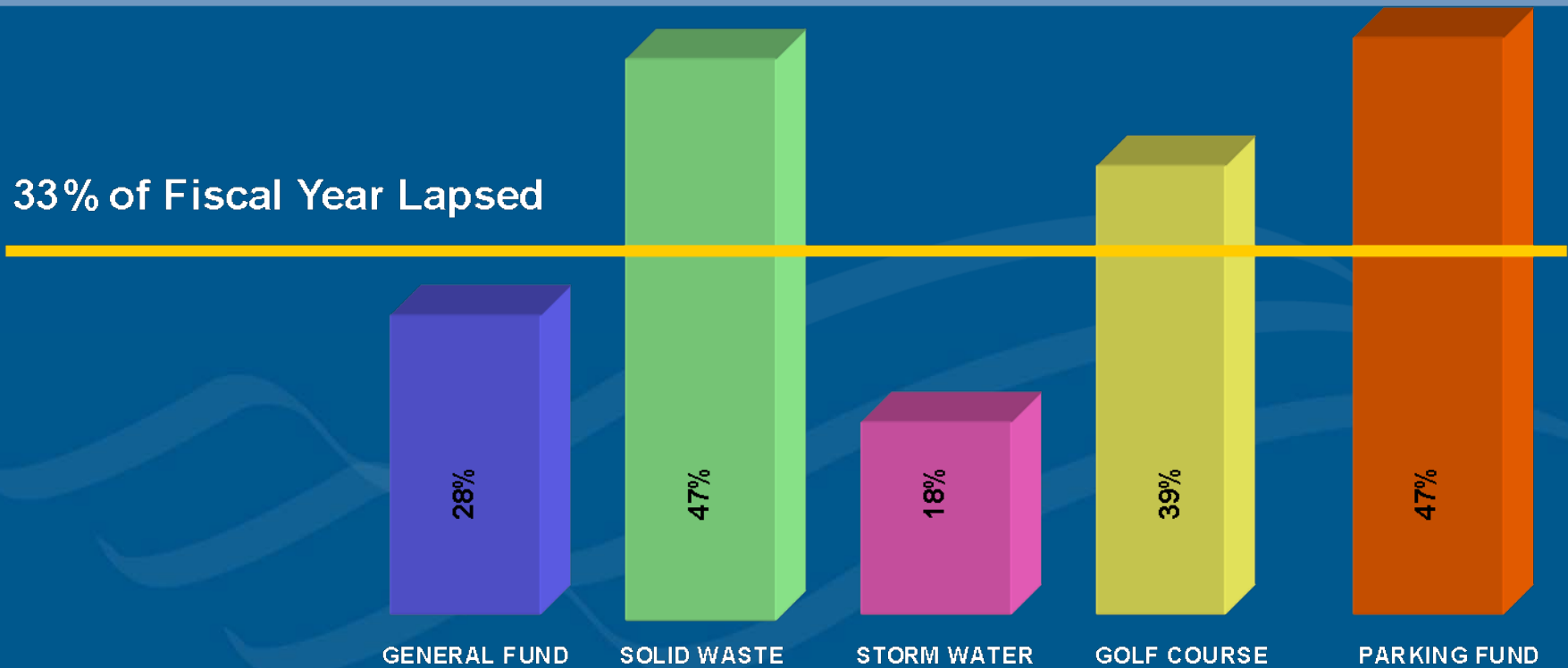
- More data early next year
- December/January biggest months for property tax revenue
- Sales tax lags two months from sales to receipt
- Utility franchise tax – 1st quarter received in December

FY 2013 Revenues Actuals to Budget

33% of Fiscal Year Lapsed



FY 2013 Expenditures Actuals to Budget



Infrastructure improvements

- 5¢ of City's tax rate dedicated to Capital Improvements
- 838% increase for streets/sidewalks
- Last year: \$1.6 million
- Next two years: \$15.0 million
- Already making more repairs
- Work accelerates early next year

5-Year Improvement Plan

- Streets & Sidewalks \$35.2M
- Parks & Recreation \$4.2M
- Buildings & Facilities \$1.6M

5-Year Enterprise Fund CIP

- Storm Water \$25.6M
- Parking \$ 0.3M

Looking forward

General Fund financial forecast assumptions FY 2014 – FY 2018

- 2% property tax growth – no change in rate
- 3% growth in sales tax
- 2% growth in Powell Bill revenue
- 2% increase for employee compensation
- 1% increase for full reinstatement of deferred comp contribution in FY 2016
- 3% increase in operating expenditures

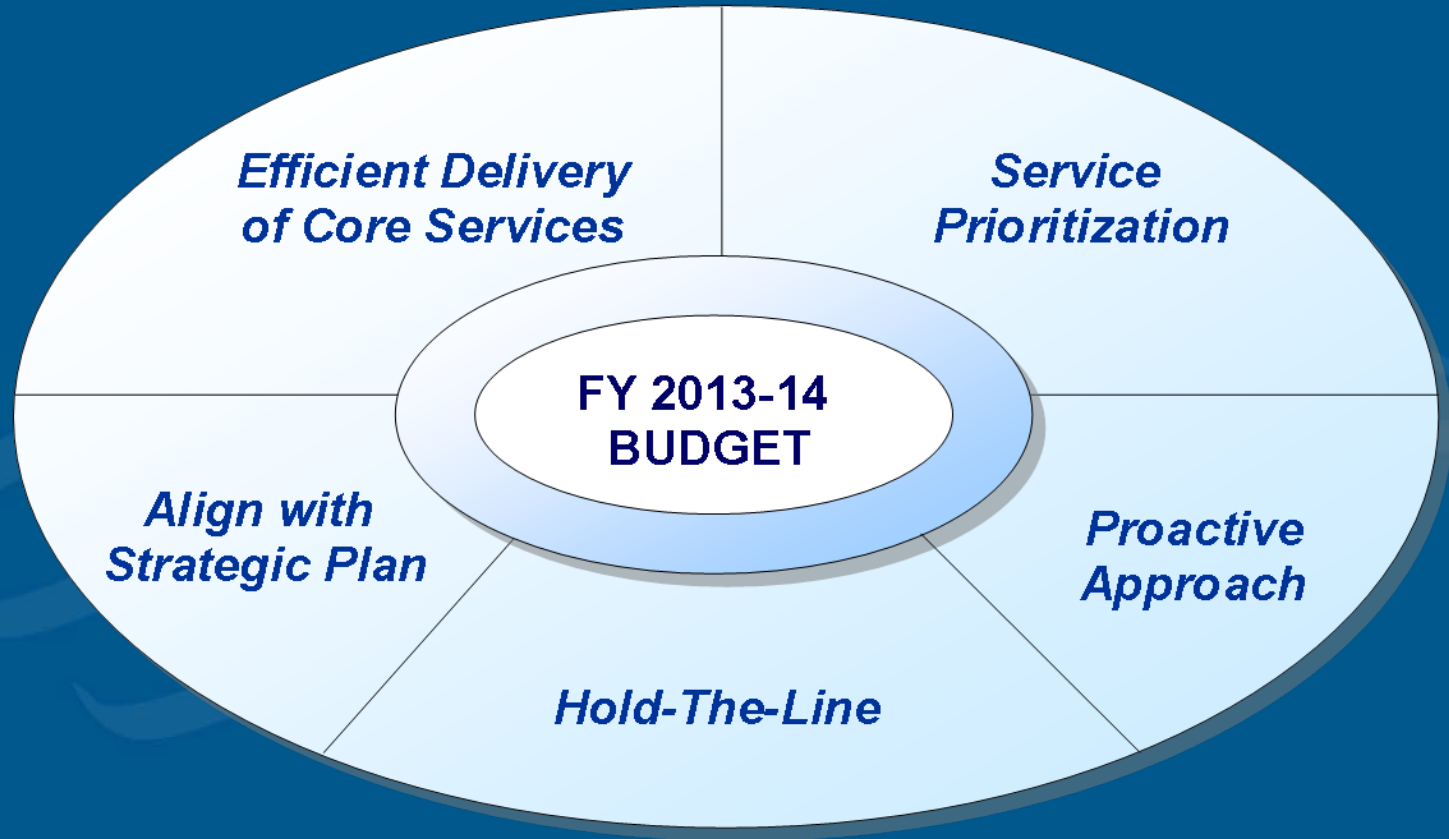
General Fund 5-Year Forecast

- Based on assumptions, good financial health moving forward
- Budgets on track to be balanced
- Unknowns could have negative impact

FY 2014 Budget Unknowns



FY 2014 Overall Budget Principles, Approach and Goals



FY 2013-14 budget

- Dedicates 5¢ for infrastructure repair
- Aligns timing of agency requests to be same as instructions
- Sets AA+ rating as target to maintain
- Ensures required budget/accounting standards are maintained

2nd year agency funding

- Applications for two-year funding requested in FY 2012
- Program/Project must meet criteria
- Three sources of funding – GF, CDBG, and HOME funds
- Funding affected by fed/state budget

Financial Policies

- Create framework for overall financial health
- Updated as needed/required
- Ensures Council's policies can be implemented
- Further discussions to be scheduled

Budget Calendar Highlights

- Budget Submissions Due January 31, 2013
- City Council Budget Work Session March 4, 2013*
- City Council Budget Work Session April 1, 2013*
- Council receives Recommended Budget - May 3, 2013
- Formal Presentation of Budget - May 7, 2013
- Public Hearing – May 21, 2013
- Budget Adoption – June 4, June 18, 2013

* Immediately following Agenda Briefing